



Montgomery County Council

From the Office of Council President Valerie Ervin December 13, 2010

Contact: Sonya Healy 240-777-7970

Council President Valerie Ervin's Remarks at Montgomery County's Legislative Breakfast

**She Tells Federal, State and Local Elected Officials Maryland's
Maintenance of Effort Education Law Must Be Fixed Now**

ROCKVILLE, Md., December 13, 2010— Montgomery County Council President Valerie Ervin today told hundreds of federal, state and local elected officials that Maryland's "Maintenance of Effort" law that dictates minimum spending limits for local school systems "is illogical and unacceptable and we must all work together to fix it now."

Council President Ervin made her remarks at the annual Committee for Montgomery Legislative Breakfast at the Bethesda North Marriott Hotel and Conference Center. Governor Martin O'Malley, U.S. Senator Paul Sarbanes, Congressman Chris Van Hollen and elected officials from around the state and particularly, from throughout the County, were among those attending the event.

Montgomery County, which spends more on public education than any of Maryland's 24 local school systems, has been significantly impacted by the state's Maintenance of Effort law during the economic downturn of the past few years. The law requires jurisdictions to appropriate at least as much money per pupil to its public schools as it did in the previous year.

"There is no state Maintenance of Effort law for libraries, public safety, health and human services or transportation, but all these County services are vital not only to our residents, but to our schools," said Councilmember Ervin. "We must fix this now."

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The complete text of Council President Ervin's remarks:

Good morning. The best and the brightest political stars in the state of Maryland have already spoken. There is only one thing standing between you and the man you came to hear from, so I will be brief. I am honored to join you this morning as the new County Council president and I bring you greetings from the entire County Council.

Governor O'Malley: It is always good to have you with us in Montgomery County. Congratulations, once again, not only on your re-election as Governor, but also on your election as chair of the Democratic Governors Association.

I want to thank Charles Washington for the great job he is doing leading Committee for Montgomery. Believe me, I know that this past year your day job at Pepco has kept you plenty busy.

Difficult budget times force us to make choices that are necessary to position ourselves for better days ahead.

How we respond to these times says everything about what kind of community we are, and what we want to be when we emerge in more prosperous times.

This year, the County Council will get back to basics, focus on disciplined governing and implement long-term structural changes in the interest of our community. The challenges we face during the upcoming year are squarely focused on pocket-book economics, and we will devote our time to maintaining the quality of life in Montgomery County. We are also committed to ensuring that Montgomery County remains a place known for its inclusiveness, and for fostering the kind of innovation and discovery that can change the world.

We must make the tough decisions that will keep this County on the course of greatness that helped to determine why nearly a million people have chosen to live here, and why so many who are drawn to innovation and opportunity choose to work here.

We have our challenges, but we will approach them with the confidence of knowing that if any community has the capacity to adapt, it is Montgomery County.

Since you have already heard much from our stellar list of speakers this morning, I want to focus on three points.

First, to preserve our world-class school system and the other great services that make this County the home of choice for nearly one million people, we must get our fiscal house in order. Like the State and the nation, we face serious structural pressures, and we must address them. The report the Council just received from our Office of Legislative Oversight is comprehensive. It offers us difficult options to think through with the community over the next several months. But make no mistake about it – working with the County Executive, this Council will act. This is what the hard-working taxpayers of Montgomery County expect, and it is what they deserve.

Second, we understand the State's current fiscal problems, and we will support sensible ways to address them. Maryland is one of a legion of states failing to fully fund its pension obligations. Unfunded pension liabilities jumped from \$17.5 billion in 2009 to \$18.4 billion in 2010. We didn't create the problem and we can ill afford to pick up the cost—especially if the formula is wealth equalized. Our residents know that if the State merely exports its teacher pension problem to the County, the result will be catastrophic cuts to County services or painful tax increases. We can't continually ask our residents to disproportionately sacrifice to balance the State budget, and it is fundamentally unfair to ask our residents to pay more for a system that we have no control over.

Third, as a former School Board member and as chair of the Council's Education Committee, I strongly support, as all of us do, the intent of the State's Maintenance of Effort law for school funding.

Prior to the current national economic crisis, Montgomery County, for more than a decade, has gone well beyond the law's required level of funding. But now, the Maintenance of Effort law is simply not sustainable. For example, next year it requires the County's Board of Education to propose a school budget that is \$83 million, or nearly 6 percent, above the \$1.4 billion the County has contributed this year—even though we face another huge budget gap.

This situation is illogical and unacceptable, and we must all work together to fix it now. There is no State Maintenance of Effort law for libraries, public safety, health and human services or transportation, but all these County services are vital not only to our residents but to our schools. We must fix this now.

The coming year will not be a time for business as usual. It will be a time for change. We pledge to join in the spirit of cooperation with everyone in this room to make this change work for the people we serve.

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